

NINETEENTH JUDICIAL DISTRICT COURT
THE PARISH OF EAST BATON ROUGE

NUMBER: 494218 STATE OF LOUISIANA
J. ROBERT WOOLEY,
AS ACTING COMMISSIONER OF INSURANCE
FOR THE STATE OF LOUISIANA

DIVISION: F

VERSUS

THE OATH FOR LOUISIANA, INC. AND VENTURE HEALTH PARTNERSHIP
GROUP OF LOUISIANA, INC.

FILED: _____ DEPUTY CLERK _____

EX PARTE MOTION FOR APPROVAL OF PLAN OF REHABILITATION

NOW INTO COURT through undersigned counsel comes J. Robert Wooley, Acting Commissioner of Insurance for the State of Louisiana (the "Commissioner"), respectfully moves this Court for entry of an order approving the plan of rehabilitation for The Oath for Louisiana, Inc., which plan is attached hereto and incorporated herein, for the reasons more fully explained in the memorandum in support hereof which is also attached hereto and incorporated herein.

WHEREFORE, J. Robert Wooley, Acting Commissioner of Insurance for the State of Louisiana, prays that this ex parte motion for approval of the plan of rehabilitation be granted and that same be ordered implemented forthwith.

RESPECTFULLY SUBMITTED,

BY ATTORNEYS FOR
J. Robert Wooley
Acting Commissioner of Insurance
for the State of Louisiana

RICHARD P. LEYBOU
ATTORNEY GENERAL

By:

Arlene Knighton
Cassandra Simms #12091
Arlene Knighton #7754
Jackie Harris #26043
Assistant Attorneys General
301 Main Street, Suite 1250 A
Baton Rouge, LA 70801
(225) 342-9640

providers. Funds are not currently available to continue coverage for members, enrollees and subscribers of The Oath for any prolonged period. In fact, the Commissioner has determined that all coverages should be terminated by April 24, 2002. The Commissioner has identified three distinct groups of members of The Oath: the commercial group business; the individual members, and the Medicare+Choice members. The plan submitted calls for the discontinuance and cancellation of all certificates of coverage and other products of The Oath on April 24, 2002. The plan also calls for providing and/or assisting current members,

Commissioner to operate as a health maintenance organization and/or that it will seek approval from the federal Center for Medicare and Medicaid Services (CMS) to have the Medicare Choice members transferred from The Oath to it. In the event that entity is unsuccessful in either or both of these efforts by April 24, 2002, the Medicare + Choice members of The Oath will revert to regular Medicare fee for service coverage at the current Medicare rates. It is currently estimated that there are approximately 15,000 Medicare + Choice members of The Oath.

Under the plan proposed by the Commissioner, each group of members of The Oath will be able to obtain other health care services coverage. All contracts and products of The Oath will be canceled on April 24, 2002. After exploring the options available for the members, enrollees and subscribers of The Oath, and considering the dire financial problems experienced by The Oath, the Commissioner believes that the plan of rehabilitation presented is in the best interests of the members, enrollees, and subscribers of The Oath.

For all these reasons, the Commissioner requests that the Court approve the Plan of Rehabilitation presented for The Oath for Louisiana, Inc. and order immediate implementation of same and for all other appropriate relief.

RESPECTFULLY SUBMITTED,

BY ATTORNEYS FOR
J. Robert Wooley
Acting Commissioner of Insurance
for the State of Louisiana

RICHARD P. IEYOUB
ATTORNEY GENERAL

By:

Arlene Knighten
Cassandra Simms #12091
Arlene Knighten #7754
Jackie Harris #26043
Assistant Attorneys General
301 Main Street, Suite 1250 A
Baton Rouge, LA 70801
(225) 342-9640

EXHIBITS

EXHIBIT A Affidavit of Richard O'Shee

EXHIBIT B Plan of Rehabilitation

EXHIBIT C Agreement between The Oath for Louisiana, Inc. and United Healthcare, Inc.



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GROUP OF LOUISIANA, INC.

FILED: _____

DEPUTY CLERK _____

AFFIDAVIT

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned notary, and in the presence of the undersigned
competent witnesses, personally came and appeared:

RICHARD O'SHEE

a competent major, who after being duly sworn, did depose and state:

I am the Deputy Commissioner for Health Insurance for the Department of Insurance, State
of Louisiana, duly appointed by the Commissioner of Insurance.

In connection with my duties, I have reviewed the agreement between The Oath and United
Healthcare, Inc.

In connection with my duties, I have discussed with authorized representatives of The Oath
and of the capitated provider network of The Oath for Medicare+Choice members of The
Oath and others as to the options available to Medicare+Choice members of The Oath.

In connection with my duties, I have discussed with authorized representatives of The Oath
and others the options available to individual members of The Oath.

The information contained in this affidavit is based on my personal knowledge derived from
my review of the financial statement and records of The Oath and my conversations with my
staff and with others.

My review and investigation has revealed that the Plan of Rehabilitation presented here is in
the best interests of the members, subscribers, and enrollees of The Oath.

My review and investigation has revealed that the Plan of Rehabilitation presented here is the
a reasonable method of providing for the transfer of the majority of the present business of
The Oath, which consists of the commercial group coverage, to another viable health care
services provider.

My review and investigation has revealed that the Plan of Rehabilitation presented here is a
reasonable method of providing for alternative health care service coverage for the individual
members of The Oath and for the Medicare+Choice members of The Oath.

The above is true and correct to the best of his knowledge.

WITNESSES:

Brenda Long
Karen Parker

Richard O'Sullivan
RICHARD O'SULLIVAN

Sworn to and Subscribed before me this ____ day of ____, 2002.

Michael R.D. Adams
NOTARY PUBLIC

Michael R.D. Adams
Notary Public
State of Louisiana
My Commission is for Life.

**REHABILITATION PLAN FOR THE OATH FOR LOUISIANA, INC. SUBMITTED BY
THE COMMISSIONER OF INSURANCE FOR THE STATE OF LOUISIANA**

The Commissioner of Insurance for the State of Louisiana as Rehabilitator of The Oath for Louisiana, Inc. (the "Rehabilitator") proposes to implement this Rehabilitation Plan ("the Rehabilitation Plan") for The Oath for Louisiana, Inc. ("The Oath"), as follows:

1. With respect to the commercial group business of The Oath (those certificates of coverage and other products sold by The Oath to business entities and other multiple person groups), the Rehabilitator shall be authorized to accept an offer from United Healthcare, Inc. ("United Healthcare") to The Oath, which offer will replace all the commercial group coverage of The Oath in effect prior to April 24, 2002 on a guarantee issue basis (United Healthcare will agree to issue health care coverage to all existing commercial groups receiving health care coverage with The Oath without exception).
2. With respect to the Medicare+Choice business of The Oath (those certificates of coverage and other products sold by The Oath to persons eligible for Medicare benefits), the Rehabilitator shall be authorized to continue provision of covered benefits through existing capitated arrangements (those contracts between The Oath and providers which provide for the provisions of health care services for a set monthly fee) with contracted providers of The Oath for all members of The Oath covered under the Medicare+Choice contract with the Centers for Medicare and Medicaid (CMS) under the following conditions:
 - a. The capitated provider network presently working under contract with The Oath seeks and receives approval from the Commissioner of Insurance for the State of Louisiana to operate as a health maintenance organization.
 - b. The capitated provider network presently working under contract with The Oath seeks transfer of all Medicare+Choice membership of The Oath and receives approval for same from CMS.
 - c. The Rehabilitator shall be authorized to discontinue and cancel all contracts for coverage with CMS for Medicare+Choice members of The Oath effective April 24, 2002 if the Rehabilitator is not reasonably certain that the objectives of (2) a or (2) b can be accomplished.
3. The Rehabilitator shall be authorized to issue written notice of no less than ten (10) days to all commercial group and individual policyholders that their coverage with The Oath is being discontinued and cancelled effective April 24, 2002. The discontinuance and cancellation notice shall be deemed to meet the requirements of La. R.S. 22:250.13 C for the purpose of assuring individual eligibility rights to replacement coverage under La. R.S. 22:250.12(11).
4. All notices required to be provided as to the discontinuance and cancellation of coverages shall be provided by regular United States mail with a certificate of mailing (proof of mailing) provided by the United States Post Office, which notices shall be considered issued on the date of such mailing. The addresses for the notices shall be the last address for each subscriber, member or enrollee as recorded in the books and records, including computer records, of The Oath. The Rehabilitator will retain unopened notices that are returned as undeliverable or not accepted for verification as necessary.
5. The Rehabilitator shall be authorized to limit coverage to health care services authorized on or after April 10, 2002 as medically necessary pursuant to La. R.S. 22:3070, et seq., with the exception of emergency medical treatment as defined in La. R.S. 22:657(2)(g)(i).
6. The Rehabilitator shall be authorized to limit payment of claims for covered benefits

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during the period of rehabilitation to services authorized under item 5, above, and any insured claim incurred prior to April 10, 2002 that are covered benefits that are payable directing to the insured or under an assignment to a non-contracted provider of The Oath.

7. All policies, certificates of coverage, plans and other products of The Oath pursuant to which The Oath is required to provide coverage to enrollees and subscribers shall be terminated effective April 24, 2002.
8. For the period from the date of the entry of the order approving this Plan of Rehabilitation through April 24, 2002, all business and operations of The Oath shall be conducted as the Commissioner may deem necessary or advisable.
9. No new business and/or renewal business will be written or undertaken by The Oath, however, certificates of coverages in force through April 24, 2002 will be adjusted by life style changes, i.e. birth of a baby, marriage, etc.

April 9, 2002

Barry S. Scheur
Chief Executive Officer
The Oath for Louisiana, Inc.
1555 Poydras Street
New Orleans, LA 70112

Dear Mr. Scheur:

We are pleased to have this opportunity to evaluate The Oath for Louisiana, Inc. ("Oath") and to describe the general parameters upon which UnitedHealthcare, Inc. ("UnitedHealthcare"), a subsidiary of UnitedHealth Group Incorporated ("UHG"), would be interested in pursuing a transaction with Oath.

The transaction would be structured as a voluntary transition of Oath covered lives, excluding lives covered by either policies of individual coverage or Medicare Plus Choice policies, ("subject lives") through a plan to commence as soon as necessary consents and approvals are obtained. The transition of subject lives would be prompted by notices of termination of coverage given no later than April 30, 2002. The notice of termination of coverage shall provide no more than 60 days notice nor no less than 14 days notice. During the notice period, the subject lives could voluntarily migrate to UnitedHealthcare at rates established by UnitedHealthcare's underwriting guidelines.

The transition fee for each subject life successfully transitioned would be paid in cash and equal the product of (1) \$25 and (2) the number of subject lives at the close of the transaction that are successfully transitioned to UnitedHealthcare and remain covered by UnitedHealthcare on the Transfer Date (as defined below). For purposes of calculating the transition fee, the "Transfer Date" shall mean January 1, 2003; provided, however, that the determination of the number of subject lives converted prior to, and covered by UnitedHealthcare on, the Transfer Date shall be made on March 1, 2003 in order to take into account subject lives converted prior to the Transfer Date but for which notification is received between December 31, 2002 and March 1, 2003.

In addition to relying on the representations made by Oath, the following assumptions have been made in making this proposal:

1. UnitedHealthcare's interest is only in the subject lives that are a part of Oath's current book of business, and not in the licensed entity itself, nor any of its affiliates. Oath would agree to sign a five-year non-compete and would wind down its operations pursuant to regulatory requirements. Further, Oath would

- agree to relinquish its license or other authority to offer health care coverage as soon as permitted by the appropriate regulatory authorities.
2. Oath would prepare and deliver to every subject life, at Oath's sole cost and expense, a notice regarding its termination and the transition of membership to UnitedHealthcare. Oath would use its best efforts to convert all of the subject lives of Oath to UnitedHealthcare.
 3. Oath would provide reasonable representations, warranties and covenants.
 4. Each party would bear its respective costs in connection with these negotiations and the consummation of the transactions contemplated herein, including costs associated with attorneys, accountants and financial advisors.
 5. Until April 30, 2002, Oath, its directors, officers, shareholders, representatives and agents shall not directly or indirectly solicit or initiate any discussions or negotiation with any person or group of persons regarding any Competing Transaction (as defined below). Oath shall promptly notify UnitedHealthcare (i) if any inquiries, or proposals or requests for information concerning a Competing Transaction are received by Oath or any of its officers, directors, or shareholders, or (ii) when Oath becomes aware that any such inquiries or proposals have been received by its investment bankers, financial advisors, attorneys, accountants or other representatives. A Competing Transaction would be one involving (i) any sale of stock or other equity interests in Oath, (ii) a merger, consolidation, share exchange, business combination, or other similar transaction involving Oath, (iii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the assets of Oath in a single transaction or a series of related transactions, or (iv) any agreement to, or public announcement by Oath of a proposal, plan or intention to, do any of the foregoing.
 6. The existence and terms and conditions of this letter shall be deemed confidential under terms of the existing confidentiality agreement between UnitedHealthcare and Oath.
 7. This letter shall be governed by and construed in accordance with the internal laws of the State of Minnesota without giving effect to the conflict of laws provisions thereof.

The parties to this letter of interest shall use their best efforts to sign a definitive agreement relating to the contemplated transaction by April 30, 2002. In the event a definitive agreement is not executed by April 30, 2002, or UnitedHealthcare notifies Oath in writing prior to such date that it has determined to discontinue the negotiations toward consummation of the transaction, the obligations of the parties to proceed in good faith toward the consummation of the transaction, and the obligations of Oath under paragraph 5 of this letter, shall terminate.

The terms of any business transaction would only be as set forth in a definitive agreement. The Transaction will require approval by the Office of the Chairman of UHG and applicable regulatory agencies.

This letter constitutes a statement of the present intentions of the parties, but any offer by UnitedHealthcare and acceptance by Oath would be only as set forth in a definitive agreement that reflects the legally binding obligations of the parties. Other than paragraphs 4, 5, 6 and 7, which shall be binding upon each of the parties hereto and their respective successors and assigns, this letter is not intended to be a legally binding obligation of either UnitedHealthcare or Oath, nor an offer, the acceptance of which would create a contract.


We look forward to pursuing this transaction. In the event that you have not agreed and accepted this letter by signature below on or before 5:00 p.m. est today, the terms and conditions of this letter will be subject to change. If you should have any questions regarding this letter, please do not hesitate to contact me at 504-849-1624.

Sincerely,

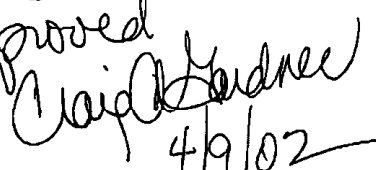


Samuel Patterson
UnitedHealthcare of Louisiana

Agreed to and accepted on April 9, 2002:
The Oath for Louisiana, Inc.


Name: Ruth M. Aaron
Title: Secretary

subject to the
approval of the
Department of Insurance

Approved

4/9/02